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FILED
DISTRICT COURT OF GUAM

JAN 15 2008

JEANNE G. QUINATA
Clerk of Court

8 IN THE DISTRICT COURT OF GUAM

9 JJ PACIFIC DEVELOPMENT
10 CORPORATION,
Plaintiff and
11 Counterclaim Defendant,
12 vs.
13 LPP MORTGAGE LTD.,
14 Defendant and
15 Counterclaim Plaintiff.

CIVIL CASE NO. 07-00029

REPLY TO COUNTERCLAIMS

REPLY

16
17 COMES NOW, Plaintiff and Counterclaim Defendant JJ Pacific Development
18 Corporation ("Plaintiff"), by and through its undersigned counsel, and replies to the Counterclaims filed
19 by Defendant and Counterclaim Plaintiff LPP Mortgage Ltd. ("Defendant") on December 26, 2007
20 as follows:

- 21 1. Plaintiff admits the allegations contained in paragraphs 1, 3, 4, and 5 .
- 22 2. Plaintiff denies the allegations contained in paragraphs 7-12, 16, 17, 19, 20 and
23 22.
- 24 3. With regard to paragraph 2, Plaintiff lacks sufficient information and belief as
25 to the allegations therein, and basing its denial thereon, denies generally and specifically each and every
26 allegation therein.
27
28

1 4. With regard to paragraph 6, Plaintiff lacks sufficient information and belief as
2 to the allegations therein, and basing its denial thereon, denies generally and specifically each and every
3 allegation therein.

4 5. With regard to paragraph 14, Plaintiff admits that JJ Pacific has recorded a Notice
5 of *Lis Pendens* against the Property. In the Notice of *Lis Pendens* JJ Pacific claims a lien on the title
6 of the Property. Plaintiff denies the remaining allegations in said paragraph.

7 6. Plaintiff reasserts its responses to paragraphs 1 through 12 in response to
8 paragraphs 13, 15, 18, and 21.

9 7. Plaintiff generally and specifically denies each and every allegation not herein
10 specifically admitted to by Plaintiff.

11 **AFFIRMATIVE DEFENSES**

12 Plaintiff asserts the following affirmative defenses:

13 1. Defendant has no right to seek relief in any court of Guam because of its failure
14 to obtain the necessary business license required by Guam law.

15 2. Defendant is barred from obtaining any relief because it failed to give the notices
16 required by the Mortgage.

17 3. Defendant is barred from obtaining any relief because Plaintiff has a right of
18 redemption under Guam law.

19 4. Defendant is barred from obtaining any relief because Defendant has acted in bad
20 faith.

21 5. Defendant is barred from obtaining any relief because Defendant has breached
22 the covenant of good faith and fair dealing.

23 6. Defendant is barred from obtaining any relief because deficiency judgment is not
24 allowed.

25 7. Defendant is barred from obtaining any relief under the doctrines of waiver and
26 estoppel.

27 8. Defendant is barred from obtaining any relief because it failed to perfect its rights
28 under the Mortgage.

9. Defendant is barred from obtaining any relief because it failed to perform the conditions under the Mortgage.

10. To the extent that Defendant is found to have been damaged by Plaintiff, Plaintiff is entitled to off-set such damages by damages caused by Defendant.

11. Defendant has failed to properly state a claim upon which relief can be granted.

12. Plaintiff reserves the right to assert other affirmative defenses as this case and discovery proceeds.

WHEREFORE, Plaintiff prays that Defendant takes nothing by its Counterclaims.

Respectfully submitted this 15th day of January, 2008.

CALVO & CLARK, LLP
Attorneys at Law
Attorneys for Plaintiffs

By: Janalynn Cruz
JANALYNN CRUZ DAMIAN